NHR
4/10/14
Item No. 12

AN ORDINANCE 2014-04-10-0228

AUTHORIZING REVISIONS TO THE STANDARD LEASE AGREEMENT FOR AIR CARGO BUILDING WEST.

* * * * * *

WHEREAS, Ordinance 2013-10-10-0706 approved a standard lease agreement for the Air Cargo Building West facility, located at 10000 John Saunders Road, which is used by various businesses for the handling and processing of cargo, storage of ground equipment and ground vehicles, and related uses; and

WHEREAS, this Ordinance authorizes revisions to the standard lease agreement to authorize the Aviation Director to execute future lease agreements and approve amendments to current lease agreements for the recapture, relocation, adjustment, reconfiguration, enlargement or reduction of the leased cargo space within the facility; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Aviation Director is hereby authorized to execute lease agreements for the Air Cargo Building West at San Antonio International Airport in a form substantially the same as the document set out in **Attachment 1**, as well as to execute amendments to current lease agreements for the recapture, relocation, adjustment, reconfiguration, enlargement or reduction of the leased cargo space within the facility.

SECTION 2. This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 10th day of April, 2014.

for M A Y O R

Julián Castro

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Robert F. Greenblum, City Attorney

Agenda Item:	**12 (in consent vote: 4, 5, 6, 7, 8, 9, 12, 15, 16, 18, 19, 20, 21, 22, 23, 24, 26, 27)**
Date:	04/10/2014
Time:	09:31:12 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing revisions to the Master Lease Agreement for the West Air Cargo Facility at San Antonio International Airport to allow the Aviation Director to authorize the recapture, relocation, adjustment, reconfiguration, enlargement or reduction of the leased cargo space. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor	x					
Diego Bernal	District 1		x			x	
Ivy R. Taylor	District 2		x				
Rebecca Viagran	District 3		x				x
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

ATTACHMENT 1

SAN ANTONIO INTERNATIONAL AIRPORT LEASE
FOR LEASE SPACE AT AIR CARGO BUILDING WEST

THIS AGREEMENT, (hereinafter called the "Lease" or "Lease Agreement"), entered into by and between the **CITY OF SAN ANTONIO** ("Lessor"), a Texas Municipal Corporation, acting by and through its City Manager, pursuant to Ordinance No. _____adopted on _____ _____, and _____, a Corporation, chartered under the laws of _____, acting by and through its designated officers pursuant to its by-laws or a resolution of its Board of Directors (hereinafter called "Lessee"), **WITNESSETH:**

1. DESCRIPTION OF PREMISES DEMISED

Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby demise and lease unto Lessee and Lessee does hereby accept from Lessor _____ square feet of cargo building space and improvements to include, Bays _____ of the Air Cargo Building West, located at 10000 John Saunders Road at the San Antonio International Airport ("Airport"), and more specifically shown in "Exhibit 1", which is attached hereto and made a part hereof by reference. ("Leased Premises")

2. RENTAL

2.1 Lessee agrees to pay Lessor as rental, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Leased Premises, at the times and in the manner hereinafter provided.

Leased Premises	Sq. Ft.	Annual Rate per Sq. Ft.	Annual Rental	Monthly Rental
Bays: _____	_____	**$5.93**	_____	_____
Other Charges				
Operation & Maintenance Fee	_____	**$1.48**	_____	_____
Utility	_____	**$1.55**	_____	_____

2.2 Such rentals shall be subject to the adjustments in rental rates contained in Article 9, Rental Adjustments, hereof. Notwithstanding the foregoing, Operation & Maintenance charges shall be adjusted as prescribed by Ordinance. Said Charges are imposed to recover the City's costs in performing certain repairs which are described in more detail in Section 8.9 below. Electrical utility charges shall be adjusted annually on October 1, as determined by the Aviation Director or his designee, based on actual utility billings from the utility provider.

2.3 All rentals shall be calculated on an annual basis and shall be paid by Lessee to Lessor in advance without invoicing, notice or demand, in equal monthly installments on or before the first day of each

calendar month beginning on the Commencement Date, as hereinafter defined, and continuing throughout the remainder of the term of this Lease Agreement and any extension(s) hereof. In the event that the term of this Lease Agreement shall commence on a day other than the first day of any calendar month or expire on a day other than the last day of a calendar month, then, and in such event, rental installments will be prorated for the first or last month as the case may be.

2.4 All rentals and payments that become due and payable by the Lessee shall be made to the City of San Antonio, Office of the Aviation Director, San Antonio International Airport, 9800 Airport Blvd., San Antonio, Bexar County, Texas. All rentals and payments unpaid for ten (10) days after the date due shall bear interest at the rate of ten percent (10%) per annum from the date each such payment was due.

2.5 It is the understanding of the parties that all improvements and/or modifications ("Improvements") to any building premises, if any, will be at the sole cost and expense of Lessee. The Improvements will be completed by Lessee only in accordance with plans and specifications to be developed by Lessee's consulting engineer/architect and approved by the Director, in accordance with the terms and conditions of this Lease Agreement.

2.6 All rentals, fees and charges payable by Lessee to Lessor under the terms hereof, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, purposes of the United States Bankruptcy Code.

3. TERM

The primary term of this Lease Agreement shall commence upon execution of this Lease Agreement by both parties ("Commencement Date"), and shall end at midnight of such same year in which the Lease Agreement is executed. This lease shall automatically renew for one-year periods thereafter. Notwithstanding any of the foregoing, in no event shall this Lease Agreement extend past October 31, 2018. Lessee may choose not to renew this lease by giving Lessor written notice of nonrenewal at least 30 days in advance of the next renewal date (January 1). The Leased Premises at all times during the term of the Lease Agreement, and any extension thereof, will be subject to the provisions for recapture and/or earlier termination herein contained. In the event the term of this Lease shall commence on a day other than the first day of any calendar month or expire on a day other than the last day of a calendar month, then, and in such event, rental installments shall be prorated for the first and or last month as the case may be.

4. USE(S) OF PREMISES

The Premises shall be used for the purposes of handling, processing, loading, unloading, sorting, warehousing and central distribution of air freight and air cargo; the parking and maintenance of ground service equipment and ground vehicles as well as, general office uses related to and necessarily incidental to air freight and cargo operations. Any other use shall require the advance written approval of the Aviation Director.

5. INDEMNIFICATION

5.1 **LESSEE** covenants and agrees to **FULLY INDEMNIFY, DEFEND** and **HOLD HARMLESS**, the **CITY** and the elected officials, employees, officers, directors, volunteers and representatives of the **CITY**, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **CITY** directly or indirectly arising out of, resulting from or related to **LESSEE's** activities under this **LEASE**, including any acts or omissions of **LESSEE**, any agent, officer, director,

representative, employee, consultant or subcontractor of **LESSEE**, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this **LEASE**, all without however, the City waiving any governmental immunity available to the **CITY** under Texas Law and without waiving any defenses of the parties under Texas Law. **IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS LEASE.** The provisions of this **INDEMNITY** are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. **LESSEE** shall promptly advise the **CITY** in writing of any claim or demand against the **CITY** or **LESSEE** known to **LESSEE** related to or arising out of **LESSEE's** activities under this **LEASE** and shall see to the investigation and defense of such claim or demand at **LESSEE's** cost. The **CITY** shall have the right, at its option and at its own expense, to participate in such defense without relieving **LESSEE** of any of its obligations under this paragraph.

5.2 It is the **EXPRESS INTENT** of the parties to this **LEASE**, that the **INDEMNITY** provided for in this section (Section 5), is an **INDEMNITY** extended by **LESSEE** to **INDEMNIFY, DEFEND, PROTECT** and **HOLD HARMLESS**, the **CITY** from the consequences of the **CITY's OWN NEGLIGENCE**, provided however, that the **INDEMNITY** provided for in this section **SHALL APPLY** only when the **NEGLIGENT ACT** of the **CITY** is a **CONTRIBUTORY CAUSE** of the resultant injury, death, or damage, and shall have no application when the negligent act of the **CITY** is the sole cause of the resultant injury, death, or damage. **LESSEE** further **AGREES TO DEFEND, AT ITS OWN EXPENSE** and **ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY**, any claim or litigation brought against the **CITY** and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this **INDEMNITY** shall apply, as set forth above.

6. INSURANCE

6.1 Prior to occupancy of the Leased Premises and the conduct of any business thereupon, Lessee shall furnish original Certificates of Insurance to Lessor, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon. Lessor shall have no duty to perform under this Lease Agreement until such certificates shall have been delivered to the Lessor, and no officer or employee shall have authority to waive this requirement.

6.2 Lessor reserves the right to review the insurance requirements of this section during the effective period of the Lease Agreement and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by the Lessor's Risk Manager based upon changes in statutory law or court decisions, but in no instance will Lessor allow modification whereupon Lessor may incur increased risk.

6.3 Lessee's financial integrity is of interest to Lessor, therefore, subject to Lessee's right to maintain reasonable deductibles in such amounts as are approved by Lessor, Lessee shall obtain and maintain in full force and effect for the duration of the Lease Agreement, and any extension hereof, at Lessee's sole expense, insurance coverage written by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company and/or otherwise acceptable to Lessor, in the following types and amounts:

	Type	Amount
(1)	Worker's Compensation & Employer's Liability	Statutory $1,000,000/$1,000,000/$1,000,000
(2)	Commercial General Liability Aviation Policy with Hangar-keeper's Liability	Combined Single Limit for Bodily Injury and Property Damage of $5,000,000.00 per occurrence or its equivalent with an aggregate of not less than $5,000,000.00
	Endorsements to include coverage for the following:	
	(A) Premise/Operations	
	(B) Independent Contractors	*As applicable
	(C) Personal Injury	*As applicable
	(D) Contractual Liability	
	(E) Broad Form Property Damage to Include Fire and Legal Liability	
	(F) Products/ Completed Operations	
(3)	Property Insurance for physical damage to the Lessee's improvements and betterments to the leased property	Replacement Cost Coverage or Eighty percent (80%) of Actual Cash Value Coverage
(4)	Automobile Liability (any auto)	Combined Single Limit for Bodily Injury and Property Damage of $5,000,000.00 per occurrence or its equivalent.
(5)	Plate Glass Coverage for Leased Premises	Replacement Cost Coverage

6.4 Lessor shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by Lessor, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by Lessor, the Lessee shall exercise reasonable efforts to accomplish such changes in policy coverages, and shall pay the cost thereof.

6.5 Lessee agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following required provisions.

6.5.1. Name Lessor and its officers, employees, agents and elected representatives as additional insured (as the interest of each insured may appear), as to all applicable coverage, with the exception of the worker's compensation and employer's liability policy;

6.5.2. Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where Lessor is an additional insured shown on the policy;

6.5.3. Worker's compensation and employer's liability policy will provide a waiver of subrogation in favor of Lessor.

6.6 Lessee shall notify Lessor in the event of any notice of cancellation, non-renewal or material change in coverage and shall give such notices not less than thirty (30) days prior to the change, which notice must be accompanied by a replacement Certificate of Insurance. All notice shall be given to the Lessor by Certified Mail at the following addresses:

6.7 The proceeds for any such insurance, paid on account of fire, explosion or other damage shall be used to defray the cost of repairing, restoring or reconstructing said improvements, as necessary.

6.8 It is expressly understood and agreed that all operations of Lessee under this Lease Agreement between Lessor and Lessee shall be covered by such policies of insurance or self insurance as approved by Lessor's Risk Manager and that all personal property placed in the Leased Premises shall be at the sole risk of Lessee. The procuring of policies of insurance shall not be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this contract. Lessee's obligations are notwithstanding said policy of insurance, for the full and total amount of and damage, injury or loss caused by or attributable to its activities conducted at or upon the Airport.

7. PERFORMANCE GUARANTEE

Lessee shall deliver to the Director on or before the execution of this Lease Agreement and shall keep in force throughout the term hereof either an irrevocable letter of credit in favor of Lessor drawn upon a bank satisfactory to Lessor or a surety bond payable to Lessor. The foregoing shall be in form and content satisfactory to Lessor, shall be conditioned on satisfactory performance of all terms, conditions and covenants contained herein during the term hereof and shall stand as security for payment by Lessee of all valid claims by Lessor hereunder. If a bond shall be delivered, it shall be issued by a sound indemnity company authorized to do business in Texas. The amount of the irrevocable letter of credit or surety bond to be delivered by Lessee to the Director on or before the date of the Lease Agreement shall be _____DOLLARS. The amount of the irrevocable letter of credit or surety bond shall be adjusted as necessary so that such amount shall at all times equal at least one-half the total annual rental payable by Lessee to Lessor hereunder.

8. SPECIAL PROVISIONS

8.1 Recapture, Relocation, Adjustment, Reconfiguration, Enlargement or Reduction. The parties hereto agree and recognize that lease space in the Air Cargo Building West and associated Ramp Space leased herein, is in high demand, and that Lessor must retain the right to allot such space in a manner deemed by Lessor, in its sole judgment, necessary to maximize the usage of and allotment of such space. Lessee may at any time request to relocate to other space within the Air Cargo Building West or request additional space to be added to the Leased Premises at the prevailing rental rate for such premises. Approval of such relocation or addition will be contingent upon the determination of the Aviation Director in his sole discretion, that suitable space is available. Should such ground space be added, then any such additional leased space, shall be subject to recapture, reallocation, reconfiguration, enlargement or reduction at the prevailing applicable rental rate at the Airport for such space, and shall be subject to the terms and conditions of this Lease. Such recapture, reallocation, reconfiguration, enlargement or reduction shall be at the sole discretion of the Lessor, acting by and through its Aviation Director, as he, in his sole discretion deems necessary. In the event that such recapture, relocation, adjustment, reconfiguration, enlargement or reduction is deemed necessary, Lessor shall provide Lessee ninety (90) days written notice of such need.

8.2 Relocation or Transfer in Event of New Cargo Facility. In the event a new Cargo Facility is constructed or becomes available at San Antonio International Airport, and Lessee is offered the

opportunity to relocate or transfer its cargo operations to such new facility, Lessee agrees that within ninety (90) days after being offered the opportunity to relocate or transfer its cargo operations to such new facility it will elect to either: (a) relocate or transfer its cargo operations to such new facility at such rental rates and under such conditions as shall be reasonably established by Lessor; or (b) cease all cargo operations within the Leased Premises and vacate the Leased Premises.

8.3 Relocation or Transfer in Event of New Ground Maintenance Service Equipment Facility. The Parties recognize and agree that the primary purpose of the Air Cargo Building West is for storage and handling of air freight and air mail and that the maintenance of ground service equipment has been permitted therein as an accommodation to Lessee. In the event that Lessee performs maintenance of ground service equipment within the Leased Premises, and a Ground Maintenance Service Equipment Facility is constructed or becomes available at San Antonio International Airport, Lessee agrees that within ninety (90) days after being apprised in writing that such new facility is available for occupancy, it will elect to either: (a) transfer its ground service equipment maintenance operations to such new facility at such rental rates and under such conditions as shall be reasonably established by Lessor; or (b) cease all ground service equipment maintenance operations within the Leased Premises and vacate the Leased Premises.

8.4 Written Memorialization Required. Should any recapture, relocation, adjustment, reconfiguration, enlargement or reduction, or transfer, be necessary as a result of the events described in this Article 8, a written document shall be executed between Lessee and Lessor, acting by and through its Aviation Director, which reflects the changes as a result of the recapture, relocation, adjustment, reconfiguration, enlargement or reduction of the Leased Premises or Leased Ramp Space, and the terms related thereto. Such writing upon execution thereof by Lessee and the Director, shall automatically become a part of this Lease Agreement.

8.5 Certificate of Occupancy. It is the express agreement of the parties that Lessee at Lessee's sole cost and expense will obtain within applicable time limits any required building permits and if Lessee has not provided the City with a Certificate of Occupancy, Lessee shall deliver any such building permits and Certificates of Occupancy therefore to the Director prior to any construction or occupancy of any building premises.

8.6 Landed Weight Report. Lessee shall at all times maintain and within ten (10) days after the last day of each month, Lessee shall submit to the City, by and through its Airport Director, the report attached hereto and incorporated herein by reference as "Exhibit 2" entitled, Monthly Landed Weight Report, as such report may from time to time be amended, reporting all Revenue and Non-Revenue Landings by Lessee and Lessee's Guest Airline (whether scheduled or non-scheduled) that are handled by Lessee or parked upon the Leased Premises. In the event that Lessee has other another contract with Lessor under which said report must also be provided, Lessee may submit the report once per month to be deemed compliant with said other contract as well as this Lease Agreement. For purposes of this agreement and this reporting requirement the following definitions shall apply:

8.6.1 "Revenue Landing" shall mean an aircraft landing by airline, transporter or carrier at Airport in conjunction with a flight for which airline, transporter or carrier makes a charge or from which revenue is derived for the transportation by air of persons, property or mail, but Revenue Landing shall not include any landing of an aircraft which, after having taken off from Airport and without making a landing at any other airport, returns to land at Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

8.6.2 "Guest Airline" shall mean a provider of air transportation or cargo services which is doing business with Lessee, handled by Lessee, or parks upon Lessee's Premises and which does not have in force a written agreement with the City to operate at the Airport.

8.7 Lessee recognizes that reallocation of common area parking space and/or implementation of other security measures may be necessary in order to address airport security concerns. If Lessor, acting by and through the Aviation Director, subsequent to the Commencement Date of this Lease Agreement, determines in its sole judgment, that it is reasonable and necessary to apportion the common area parking space on the street side of the Air Cargo Building West ("Common Parking Area"), and/or to provide a parking attendant to control ingress and egress to the street side of the Air Cargo Building West, the Aviation Director, acting on behalf of Lessor, may apportion such Common Parking Area, and/or to provide for controlled access at Lessee's expense. Lessee agrees that it shall pay additional rental costs and charges allocated to it in the reasonable discretion of the Aviation Director for parking in such Common Parking Area. Such additional rental costs shall be apportioned based on the number of cargo bays leased by Lessee bears to the total number of cargo bays contained in the Air Cargo Building West.

8.8 Lessor shall provide water and electricity service to the Leased Premises.

8.9 Operation and Maintenance Fee. To the extent that the need for repairs to the Leased Premises is not caused by Lessee or Lessee's negligence, misconduct, or misuse, the City will perform certain repairs to the Leased Premises through the assessment of the Operation and Maintenance Fee. Said repairs shall include structural repairs to the roof, ceilings, and foundations; ordinary wear and tear; repairs or replacement of exterior walls, windows, window glass, fencing, doors and locks; and maintenance of pavement and ramp areas abutting the leased premises. All electrical, plumbing & HVAC /cooling work and repairs shall be the responsibility of Lessee. All other work shall be governed by the applicable provisions of this Lease Agreement and its attachments.

9. RENTAL ADJUSTMENTS

On the fifth (5th) anniversary of this Lease Agreement and every fifth anniversary thereafter for the ensuring five-year period, the rental rate for the Leased Premises shall be increased by fifteen (15%).

10. ADDITIONAL FEES AND CHARGES

10.1 Fuel flowage fees shall be paid by Lessee, its sublessees, permittees and licensees (hereinafter, for purposes of Provision 2, collectively "Lessee"), to the Lessor for fuel delivered to Lessee at the Airport, in the amount per gallon, now or hereafter, established by City ordinance. Lessee agrees to keep accurate books, records and accounts of its purchase and sale of aircraft fuel delivered to it on the Airport Premises. All such books, records, accounts, and supporting documentation shall be preserved by Lessee for thirty-six (36) months, either at the Leased Premises or at the home or regional offices of Lessee, and made available, for audit purposes, to Lessor and its authorized agents or representatives, at the Leased Premises, upon request. Lessee agrees to remit, to the Aviation Director, payment and related statements, certified by the various suppliers, as to the amount of aircraft fuel delivered to the Leased Premises, by the l0th day of the month following such delivery. If no such delivery is made during a particular month, Lessee shall provide the Aviation Director with a written statement to that effect.

10.2 Lessee and all tenants and operators at the Airport, other than those engaged in the carriage of persons, cargo, mail or other property for hire (commercial aircraft operators), pursuant to City ordinance, are obligated to pay a fuel flowage fee on aircraft fuel delivered to them. Nothing herein shall relieve Lessee, its customers or others, from any field use charges levied generally by Lessor, directly or indirectly, upon the operation of aircraft at the Airport. The parties acknowledge that aircraft operators using the Airport must pay either a fuel flowage fee or a landing fee. When Lessee deducts, from its fuel

flowage report, gallons sold to commercial aircraft operators, Lessee shall submit, to the Aviation Director, landing reports and payments, calculated in accordance with City ordinance, by the 10th day of the month following the date of such commercial aircraft landing.

10.3 Fees and charges for miscellaneous items and services, including, but not limited to, employee badges, parking charges and personal property storage, shall be agreed to, in writing, by the parties hereto or be assessed, by City ordinance, in connection with the ordinary usage of Airport facilities.

10.4 All rentals, fees and charges payable by Lessee to Lessor under the terms hereof, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, purposes of the United States Bankruptcy Code.

11. PRIVILEGES AND CONDITIONS

11.1 Lessor hereby grants to Lessee the following general, non-exclusive privileges, uses and rights, subject to the terms, conditions and covenants herein set forth:

11.1.1 The general use by Lessee, for commercial aviation activities, of all common aircraft facilities and improvements, which are now, or may hereafter be, connected with or appurtenant to said Airport, except as hereinafter provided. "Common airport facilities" shall include all necessary landing area appurtenances, including, but not limited to, approach areas, runways, taxiways, aprons, roadways, sidewalks, navigational and aviation aids, lighting facilities, terminal facilities or other common or public facilities appurtenant to said Airport.

11.1.2 The right of ingress to and egress from the Leased Premises, over and across common or public roadways serving the Airport for Lessee, its agents, servants, patrons, invitees, suppliers of service and furnishers of material. Said right shall be subject to such ordinances, rules and regulations as now, or may hereafter, apply at the Airport.

11.2 The granting and acceptance of this Lease Agreement is conditioned upon compliance with the covenant that the right to use said common Airport facilities, in common with others so authorized, shall be exercised subject to and in accordance with the laws of the United States, State of Texas and City of San Antonio, the rules and regulations promulgated by their authority with reference to aviation and navigation, and all reasonable and applicable rules, regulations and ordinances of Lessor, now in force or hereafter prescribed or promulgated by charter authority or by law.

11.3 Lessor reserves the right to enter the Leased Premises at any reasonable time for the purpose of inspecting same or verifying that fire, safety, sanitation regulations and other provisions contained in this Lease Agreement are being adhered to by Lessee.

12. ACCEPTANCE AND CONDITION OF PREMISES

12.1 Lessee has had full opportunity to examine the Leased Premises. Except for environmental matters not caused by or reasonably discoverable by Lessee prior to the commencement of this Lease Agreement, Lessee's taking possession of the Leased Premises shall be conclusive evidence of Lessee's acceptance thereof in an "AS IS" condition, and Lessee hereby accepts same in its present condition as suitable for the purpose for which leased.

12.2 Lessee agrees that no representations respecting the condition of the Leased Premises and no promises to improve same, either before or after the execution hereof, have been made by Lessor or its agents to Lessee, unless contained herein or made a part hereof by specific reference.

13. CONSTRUCTION BY LESSEE

13.1 In all circumstances Lessee shall have the right to erect, alter, remodel and renovate buildings and other improvements on the Leased Premises, provided that it shall submit to the Aviation Director plans and specifications prepared by registered architects and engineers setting forth the renovations, construction, alterations or improvements that Lessee desires to perform, in such detail as may be required by the Aviation Director, and provided that approval of such plans and specifications by said Director is obtained as set forth below.

13.2 Lessor agrees to examine and approve or disapprove plans and specifications submitted in accordance with the provisions of Paragraph 13.1 above, within thirty (30) business days after receipt thereof, and to give Lessee written notification of same. The approval by Lessor of such plans and specifications refers only to the conformity of same to the general architectural plan for the Leased Premises, as opposed to their architectural or engineering design. Lessor, by giving its approval, assumes no liability or responsibility therefore or for any defect in any work performed according to such plans and specifications. Lessee agrees not to commence any renovations, construction, alterations or improvements until Lessor, through the Aviation Director, has given written approval regarding Lessee's plans and specifications.

13.3 Further, prior to the commencement of construction, Lessee shall procure any and all additional approvals of the plans and specifications for its buildings and improvements required by any federal, state or municipal authorities, agencies, officers and departments having jurisdiction thereof and shall obtain any and all requisite building or construction licenses, permits or approvals. Construction shall comply with applicable building code requirements and with applicable regulations promulgated by any federal, state or municipal agency or department having jurisdiction thereof. Lessee specifically agrees that it shall hold Lessor completely harmless from and against any and all claims, causes of action or liabilities, whether actual or potential, associated with any construction undertaken by Lessee hereunder.

13.4 The cost of any renovations, construction, alterations or improvements upon the Leased Premises shall be borne and paid for solely by Lessee. Except as may be otherwise set forth herein, Lessor has no financial or other obligation of any kind under this Lease Agreement, other than the rental to Lessee of the premises which are the subject hereof for the term and consideration hereinbefore set forth.

13.5 Upon completion of all renovations, construction, alterations or improvements, a conformed set of "as built" plans and a Certificate of Occupancy shall be provided by Lessee to the Aviation Director.

13.6 In undertaking any such renovations, construction, alterations or improvements, it is expressly understood that, where applicable, unless otherwise agreed to in writing by the parties, Lessee shall be responsible, at its sole expense, for any and all construction and maintenance of taxiways and connections to the Airport's runway and taxiway system, along an alignment and in accordance with designs and plans approved in advance, in writing, by the Aviation Director. It is further expressly understood and agreed that any improvements and access thereto constructed by Lessee on the Leased Premises shall be performed in such a manner that shall not cause flowage of surface drainage onto adjacent tracts or interrupt flow to the storm drainage system.

14. LIENS PROHIBITED

14.1 Lessee shall not suffer or permit any mechanics' or other liens to be filed against the fee of the Leased Premises, or against Lessee's leasehold interest in the land, buildings or improvements thereon, by reason of any work, labor, services or materials supplied, or claimed to have been supplied, to Lessee or to anyone holding the Leased Premises, or any part thereof, through or under Lessee.

14.2 If any such mechanics' lien or materialmen's lien described in Paragraph 14.1 above shall be recorded against the Leased Premises, or any improvements thereon, Lessee shall cause the same to be removed or, bonded around pursuant to the terms of the Texas Property Code. In the alternative, if Lessee, in good faith, desires to contest the same, it shall be privileged to do so; however, in such case, Lessee hereby agrees to indemnify and save Lessor harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and removed prior to sale of the property or execution of such judgment.

15. MAINTENANCE AND REPAIR

15.1 Lessee shall pay or cause to be paid, any and all charges for water, heat, gas, electricity, sewer and any and all other utilities used on the Leased Premises, throughout the term of, or any extension of, this Lease Agreement, including, but not limited to, any connection fees and any and all additional costs related to utility connection, metering, maintenance, repair and usage.

15.2 Except as may be otherwise provided herein, Lessee shall, throughout the term of this Lease Agreement and any extension hereof, assume the entire responsibility, cost and expense, for all repair and maintenance of the Leased Premises and all buildings and improvements thereon, whether such repair or maintenance be ordinary, extraordinary, structural or otherwise. Additionally, without limiting the foregoing, Lessee shall:

15.2.1. at all times maintain the buildings and improvements in a good state of repair and preservation, excepting ordinary wear and tear and obsolescence in spite of repair; and

15.2.2. replace or substitute any fixtures and equipment which have become inadequate, obsolete, worn out, unsuitable or undesirable, with replacement or substitute fixtures and equipment, free of all liens and encumbrances, which shall automatically become a part of the buildings and improvements; and

15.2.3. at all times keep the Leased Premises, its buildings, improvements, fixtures, equipment and personal property, in a clean and orderly condition and appearance; and

15.2.4. provide, and maintain in good working order, all obstruction lights and similar devices, fire protection and safety equipment, and all other equipment of every kind and nature required by applicable laws, rules, orders, ordinances, resolutions or regulations of any competent authority, including Lessor and Aviation Director; and

15.2.5. observe all insurance regulations and requirements concerning the use and condition of the Leased Premises, for the purpose of reducing fire hazards and insurance rates on the Airport; and

15.2.6. repair any damage caused by Lessee to paving or other surfaces of the Leased Premises or the Airport, in connection with the scope of the Lease Agreement, caused by any oil, gasoline, grease, lubricants, flammable liquids and/or substances having a corrosive or detrimental effect thereon, or by any other reason whatsoever; and

15.2.15.take measures to prevent erosion, including, but not limited to, the planting and replanting of grass on all unpaved or undeveloped portions of the Leased Premises; the planting, maintaining and replanting of any landscaped areas; the designing and constructing of improvements on the Leased Premises; and the preservation of as many trees as possible, consistent with Lessee's construction and operations; and

15.2.8. be responsible for the maintenance and repair of all utility services lines upon the Leased Premises, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers; and

15.2.9. keep and maintain all vehicles and equipment operated by Lessee on the Airport in safe condition, good repair and insured, as required by this Lease Agreement; and

15.2.10. replace broken or cracked plate glass, paint/repaint structures upon the Leased Premises and, where applicable, mow the grass; and

15.2.11.provide and use suitable covered metal receptacles for all garbage, trash and other refuse; assure that boxes, cartons, barrels or similar items are not piled in an unsightly, unsafe manner, on or about the Leased Premises; provide a complete and proper arrangement, satisfactory to the Aviation Director, for the adequate sanitary handling and disposal away from the Airport, of all trash, garbage and refuse caused as a result of the operation of Lessee's business.

15.3 The adequacy of the performance of the foregoing maintenance and repair by Lessee shall be determined by the Aviation Director, whose reasonably exercised judgment shall be conclusive. Should Lessee refuse or neglect to undertake any such maintenance or repair, or if Lessor is required to perform any maintenance or repair necessitated by the negligent acts or omissions of Lessee, its employees, agents, assignees, subtenants or licensees, then Lessor shall have the right, but not the obligation, to perform such maintenance or repair on behalf of and for Lessee. The costs of such maintenance or repair, plus any associated overhead reasonably determined by Lessor, shall be reimbursed by Lessee to Lessor no later than ten (10) days following receipt by Lessee of written demand from Lessor for same. In cases not involving maintenance or repair requiring exigent action, Lessor shall provide Lessee a written request that Lessee perform such maintenance or repair, at least thirty (30) days before Lessor effects such maintenance or repair on behalf of Lessee.

16. TITLE

16.1 It is expressly understood and agreed that any and all items of personal property owned, placed or maintained by Lessee on the Leased Premises during the term hereof shall be and remain Lessee's property. Provided that Lessee is not in default under this Lease Agreement, it may remove or cause to be removed all such items from the Leased Premises. At Lessor's sole election, any such items remaining on the Leased Premises more than thirty (30) days after the expiration of the term hereof, shall then belong to Lessor without payment of consideration.

16.2 All foundations, buildings, alterations, additions or improvements (hereinafter "Improvements") made upon the Leased Premises by Lessee are and shall be the property of Lessee during the Lease Term hereof. During said term, absent the Aviation Director's written approval, such Improvements shall be conveyed, transferred or assigned, only to a person or entity to whom this Lease Agreement simultaneously is being transferred or assigned, whereupon the holder of the leasehold interest hereunder shall own the Improvements. Absent such written approval of the Director any attempted conveyance, transfer or assignment of Improvements, to any person or entity, whether voluntary, by operation of law or otherwise, shall be void and of no effect.

16.3 With the exception of fuel storage facilities as set forth in Provision 17. Environmental Compliance below, at Lessor's sole option, title to Improvements made upon the Leased Premises by Lessee, and fixtures annexed thereto, shall vest in and become the property of Lessor, at no cost to Lessor and without any instrument of conveyance, upon the expiration of the primary term of this Lease Agreement or upon earlier termination thereof. Notwithstanding the foregoing, Lessee covenants and agrees, upon Lessor's demand, on or after termination of the Lease Agreement, to execute any instruments requested by Lessor in connection with the conveyance of such Improvements. Lessor shall notify Lessee whether or not Lessor intends take title to Improvements, or any portion thereof, as herein provided, at least sixty (60) days prior to the expiration of the primary term of this Lease Agreement or earlier termination thereof. Lessor's failure to provide such notice, however, shall not act as a waiver of its rights hereunder; provided that Lessor, within a reasonable time after receipt of Lessee's written request, advises Lessee of its election hereunder.

16.4 Should Lessor elect not to take title to Improvements, or any portion thereof, as provided in Paragraph 16.3 above, same shall be removed by Lessee, at its sole cost and risk, in compliance with all applicable laws and regulations and, to the degree reasonably possible, the Leased Premises shall be restored to the condition that existed prior to the construction of same. Should Lessee fail to undertake such removal within ninety (90) days following the expiration or termination of this Lease Agreement, Lessor may undertake such removal at Lessee's expense. The Performance Guarantee, required under this Lease Agreement, may, at Lessor's option, be applied towards any costs incurred by Lessor for such removal.

17. ENVIRONMENTAL COMPLIANCE

17.1 Lessee acknowledges that it is the owner of any and all fuel storage facilities presently existing upon the Leased Premises and any fuel storage facilities that may in the future be placed by Lessee, its sublessees, licensees or permittees in, on or upon the Leased Premises. (For purposes of this provision, "facilities" are defined as any mobile or fixed, onshore building, structure, installation, equipment, pipe, or pipeline used in fuel storage, fuel gathering, fuel transfer, or fuel distribution.) Lessee agrees that it shall, at its sole expense, comply with all applicable federal, state and local statutes, laws, ordinances, rules and regulations concerning fuel storage facilities, including, but not limited to, regulations promulgated by the Environmental Protection Agency, as well as all inspection, financial liability and inventory control recording requirements, and that it shall provide Lessor with copies of certificates of registration from the Texas Commission on Environmental Quality (hereinafter "TCEQ") for any existing or new fuel storage facilities, together with copies of any required proof of financial responsibility and other documentation reasonably required by the Aviation Director or applicable regulatory agency.

17.2 During the term of this Lease Agreement and any extensions thereof, should changes in applicable statutes, laws, rules or regulations regarding fuel storage facilities necessitate the removal, modification or replacement of such fuel storage facilities in, on, upon or under the Leased Premises, then such removal, modification or replacement shall be timely undertaken and performed by Lessee, at its sole cost and expense. Ownership of the fuel storage facilities shall, at all times, remain in the Lessee, its sublessees, licensees and permittees. Furthermore, if requested by Lessor, Lessee shall within ninety (170) days following the termination or expiration of this Lease Agreement, at its sole cost, remove said Items from the Leased Premises, perform any required soil or other investigations, perform regulatory remediation and restore the Leased Premises to a condition in compliance with all applicable statutes, laws, rules, or regulations governing fuel storage facilities. The Performance Guarantee required under the terms of this Lease Agreement shall not be returned or restored to Lessee until such removal, if requested, is accomplished and/or remediation is accomplished to the satisfaction of TCEQ.

17.3 Lessee shall, in conducting any activity or business on the Leased Premises, including environmental response or remedial activities, comply with all environmental laws, including, but not

limited to, those regarding the generation, storage, use, transportation and disposal of solid wastes, hazardous materials, toxic chemicals, special wastes or other contaminants, and all laws, regulations and notice requirements pertaining to releases or threatened releases of hazardous materials, toxic chemicals, special wastes or other contaminants into the environment. Lessee shall not cause the release, or permit its employees, agents, permittees, contractors, subcontractors, sublessees, or others in Lessee's control, supervision, or employment, to release (whether by way of uncapping, pouring, spilling, spraying, spreading, attaching or otherwise), into or onto the Leased Premises or any other location upon or above the Airport (including the air, ground and ground water there under and the sewer and storm water drainage systems thereon), any quantity of hazardous substances (as defined or established from time to time by applicable local, state, or federal law and including, among other things, hazardous waste and any other substances that have been or may in the future be determined to be toxic, hazardous or unsafe). To the extent any such release may exceed quantities or volumes permitted by applicable federal, Texas or local law, Lessee shall immediately notify the Aviation Director, TCEQ, and Local Emergency Planning Committee, as may be required under the federal Emergency Planning and Community Right To Know Act. The Lessee, or any occupant of Leased Premises, shall be responsible for compliance with said Act, in the event of any such release.

17.4 Lessee shall remedy any release or threatened release, caused by its operations on or in connection with its Leased Premises, as described above and, whether resulting from such release or otherwise, remove any hazardous materials, special wastes and any other environmental contamination caused by Lessee on, under or upon the Leased Premises, as may be required by a governmental or regulatory agency responsible for enforcing environmental laws and regulations. Such work shall be performed, at Lessee's sole expense, after Lessee submits to Lessor a written plan for completing such work. Lessor shall have the right to review and inspect all such work at any time, using consultants and representatives of its choice, at Lessor's sole cost and expense; provided, however, in such event, Lessor will take all reasonable measures not to interfere with Lessee's operations or Lessee's work in the Leased Premises Specific cleanup levels for any environmental remedial work shall be designed to meet all of the applicable environmental laws and regulations, to the satisfaction of the appropriate government or regulatory agency responsible for enforcing environmental laws and regulations.

17.5 With the exception of environmental matters not caused by Lessee, or reasonably discoverable by Lessee prior to the commencement of this Lease Agreement, Lessee agrees to defend, indemnify and hold harmless Lessor, its elected and appointed officials, officers, agents and employees, from and against any and all reasonable losses, claims, liability, damages, injunctive relief, injuries to person, property or natural resources, costs, expenses, enforcement actions, actions or causes of action, fines and penalties, arising as a result of action or inaction of Lessee, its employees, agents or contractors, in connection with the release, threatened release or presence of any hazardous material, contaminants, or toxic chemicals at, on, under, over or upon the Leased Premises and Airport, whether or not foreseeable, regardless of the source or timing of occurrence, release, threatened release, presence or discovery of same. The foregoing indemnity includes, without limitation, all reasonable costs at law or in equity for removal, clean-up, remediation and disposal of any kind, as well as all reasonable costs associated with determining whether the Airport is in compliance, and causing the Airport to be in compliance with, all applicable environmental laws and regulations and all reasonable costs associated with claims for damages to persons, property or natural resources. In the event that Lessor is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Leased Premises caused by the action or inaction of the Lessee, Lessee shall defend Lessor and indemnify and hold harmless Lessor from any reasonable costs, damages, fines and penalties resulting there from.

17.6 In addition to any other rights of access herein regarding the Leased Premises, Lessor shall, upon reasonable notice, have access thereto in order to inspect and confirm that the Lessee is using same in accordance with all applicable environmental laws and regulations. Lessee shall, upon the Aviation Director's demand and at Lessee's sole expense, demonstrate to said Director (through such tests,

professional inspections, samplings, or other methods as may be reasonably required by said Director) that Lessee has not caused or permitted any release of hazardous substances or contaminants in excess of quantities or volumes permitted by applicable federal, Texas or local law. Qualified independent experts, chosen by Lessee, subject to Lessor's approval, which approval shall not be unreasonably withheld, shall conduct any such tests and assessments. Lessee shall provide copies of reports from any such testing or assessments to Lessor upon receipt. Should Lessee not provide same to Lessor, Lessor may conduct, or cause to be conducted, such tests, inspections, samplings and assessments. Lessee shall reimburse Lessor for all costs of such actions, no later than thirty (30) days following receipt by Lessee of invoices for such work. Lessor reserves the right to conduct any of the above actions, when the Aviation Director, in his sole discretion, deems such additional or supplemental assessments to be in Lessor's best interest.

17.7 Lessee, at Lessor's request, shall make available for inspection and copying, upon reasonable notice and at reasonable times, any or all of the non-privileged documents and materials Lessee has prepared pursuant to any environmental law or regulation, which may be retained by Lessor or submitted to any governmental regulatory agency; provided, such documents and materials relate to environmental regulatory compliance and pertain to the Airport or the Leased Premises. If any environmental law or regulation requires Lessee to file any notice or report of a release or threatened release of regulated materials on, under or about the Leased Premises or the Airport, Lessee shall promptly submit such notice or report to the appropriate governmental agency and simultaneously provide a copy of such report or notice to Lessor. In the event that any written allegation, claim, demand, action or notice is made against Lessee regarding Lessee's failure or alleged failure to comply with any environmental law or regulation, Lessee, as soon as practicable, shall notify Lessor in writing and provide same with copies of any such written allegations, claims, demands, notices or actions so made.

17.8 The parties to this Lease Agreement, including the tenants or sublessees who may enjoy a future right of occupation through Lessee, acknowledge a right and a duty in Lessor, exercised by the Aviation Director, to review safety and potential environmental impacts of any proposed operation, business, maintenance or other activity of the Lessee and its sublessees. To this end, said Director shall have authority to disapprove an activity of the Lessee and/or any sublessee, on the basis of a risk assessment. The parties understand that Airport premises are not intended for use involving refining, processing, manufacturing, maintenance, overhaul, or similar heavy industrial activities entailing use, storage, manufacture, or transport of critical volumes of regulated or hazardous materials or toxic chemicals. For purposes of this Lease Agreement, "critical volumes" are those which, in the discretion and judgment of the Aviation Director, pose or may pose an unreasonable risk to Airport property, its occupants, employees or the traveling public. Discretion and judgment are reserved to the Aviation Director due to the fact that combinations and proximity of such materials are synergistic. The Aviation Director's decision in this regard is final, and said Director shall exercise such review prior to any lease or sublease, from time to time, as he may deem necessary for appropriate risk assessment of existing leases and subleases.

18. SIGNS

Lessee shall neither erect signs nor distribute advertising matter upon Airport Premises, without the prior written consent of the Aviation Director. Such consent will not be unreasonably withheld or delayed.

19. REGULATIONS

Lessee's officers, agents, employees and servants shall obey all rules and regulations promulgated by Lessor, its authorized agents in charge of the Airport, or other lawful authority, to insure the safe and orderly conduct of operations and traffic thereon.

20. QUALITY OF SERVICES

Lessee shall, at all times, furnish good, prompt and efficient commercial aviation services, adequate to meet demand for same at the Airport, furnish said services on a non-discriminatory basis to all users thereof, and charge non-discriminatory prices for each unit of sale or service; provided, however, that Lessee will be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

21. TIME OF EMERGENCY

During time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States for government use, and, if such lease is executed, the provisions of this Lease Agreement, insofar as they are inconsistent with those of the Government lease, shall be suspended.

22. SUBORDINATION OF LEASE

This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States regarding operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. Should the effect of such agreement with the United States be to take any of the property under lease, or substantially alter or destroy the commercial value of the leasehold interest granted herein, Neither Lessee, nor any sublessee, permittee or any other entity, shall hold Lessor liable for such action, but, in such event, Lessee may cancel this Lease Agreement upon ten (10) days' written notice to Lessor. Notwithstanding the foregoing, Lessor agrees that, in the event it becomes aware of any such proposed or pending agreement or taking, Lessor shall utilize its best efforts to (i) give the maximum possible notice thereof to Lessee; and (ii) cooperate with Lessee to mitigate the impact of such agreement or taking or other government action upon Lessee, including, but not limited to, reasonably assisting Lessee in securing alternate premises and minimizing any disruption of or interference with Lessee's business.

23. LANDLORD'S LIEN

23.1 Lessee hereby gives to Lessor a lien upon all of its property now, or at any time hereafter, in or upon the Leased Premises, to secure the prompt payment of charges herein stipulated to be paid for the use of said Premises; all exemptions of such property, or any of it, being hereby waived.

23.2 In the event that the amount of the Performance Guarantee provided by Lessee under the terms of this Lease Agreement, at all times during the term hereof, shall equal the greater of the rentals, fees and charges payable by Lessee to Lessor for the current calendar year, or double the amount of the Performance Guarantee set forth in the main body of this Lease Agreement, then the provisions set forth in Paragraph 23.1, above, shall not apply hereto.

24. SECURITY

24.1 Lessee shall provide for the security of the Air Operations Area (hereinafter "A.0.A.") and/or Security Identification Display Area (hereinafter "S.I.D.A.") to prevent entry or movement of unauthorized persons thereupon, in accordance with Chapter 3 of the City Code of San Antonio, Texas, as currently written, or as amended or replaced in future. In appropriate cases, physical barriers to prevent access to the A.O.A. and/or the S.I.D.A. must be placed and supervised by Lessee during construction upon the Leased Premises.

24.2 Lessee shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States or State of Texas, regarding Airport security requirements or measures.

24.3 Lessee shall comply with all current and future mandates of the Transportation Security Agency for background investigations of its personnel.

24.4 Lessee shall indemnify and hold harmless Lessor, its officers and employees from any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or State of Texas, by reason of Lessee's failure to comply with any applicable security provision and/or requirement for compliance set forth herein.

25. DEFAULT AND REMEDIES

25.1 Each of the following shall constitute an event of default by Lessee:

25.1.1 Lessee shall fail to pay any rent as provided for in this Lease Agreement and such failure shall continue for a period of ten (10) days after receipt by Lessee of written notice thereof.

25.1.2 Lessee shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained, and if such neglect or failure should continue for a period of thirty (30) days after receipt by Lessee of written notice of same, or if more than thirty (30) days shall be required because of the nature of the default, if Lessee shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

25.1.3 Lessee shall become insolvent; take the benefit of any present or future insolvency statute; make a general assignment for the benefit of creditors; file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property.

25.1.4 An Order of Relief shall be entered, at the request of Lessee or any of its creditors, under federal bankruptcy, reorganization laws or any law or statute of the United States or any state thereof.

25.1.5 A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Lessee and shall not be dismissed within thirty (30) days after the filing thereof.

25.1.6 Pursuant to, or under the authority of, any legislative act, resolution, rule, or any court, governmental, agency or board order or decree or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of Lessee and such possession or control shall continue in effect for a period of fifteen (15) days.

25.1.7 Lessee shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter.

25.1.8 The rights of Lessee hereunder shall be transferred to, pass to or devolve upon, by operations of law or otherwise, any other person, firm, corporation or other entity, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceeding or occurrence described in paragraphs 25.1.1 through 25.1.7 of this Provision 25.1.

25.1.9 Lessee shall voluntarily discontinue its operations at the Airport for a period of sixty (60) consecutive days.

25.2 In the event any default shall occur, Lessor then, or at any time thereafter, but prior to the removal of such condition of default, shall have the right, at its election, either to terminate this Lease Agreement, by giving at least five (5) days written notice to Lessee, at which time Lessee will then quit and surrender the Leased Premises to Lessor, but Lessee shall remain liable as hereinafter provided, or enter upon and take possession of the Leased Premises (or any part thereof in the name of the whole), without demand or notice, and repossess the same as of the Lessor's former estate, expelling Lessee and those claiming under Lessee, forcibly if necessary, without prejudice to any remedy for arrears of rent or preceding breach of covenant and without any liability to Lessee or those claiming under Lessee for such repossession.

25.3 Lessor's repossession of the Leased Premises shall not be construed as an election to terminate this Lease Agreement nor shall it cause a forfeiture of rents or other charges remaining to be paid during the balance of the term hereof, unless a written notice of such intention be given to Lessee, or unless such termination is decreed by a court of competent jurisdiction.

25.4 Upon repossession, Lessor shall have the right, at its election and whether or not this Lease Agreement shall be terminated, to relet the Leased Premises or any part thereof for such period(s), which may extend beyond the term hereof, at such rent and upon such other terms and conditions as Lessor may, in good faith, deem advisable. Notwithstanding any law or anything contained herein to the contrary, to the full extent permitted under applicable law, Lessee and Lessor agree that Lessor's duty to relet the Leased Premises or otherwise to mitigate damages hereunder shall be limited to those requirements set forth in the Texas Property Code, as amended. Lessor shall in no event be liable, and Lessee's liability shall not be affected or diminished whatsoever, for failure to relet the Leased Premises, or in the event the Leased Premises are relet, for failure to collect any rental under such reletting, so long as the Lessor uses objectively reasonable efforts to comply with said Property Code.

25.5 In the event that Lessor elects to relet, rentals received by same from such reletting shall be applied: first, to the payment of any indebtedness, other than rent due hereunder from Lessee under this Lease Agreement; second, to the payment of any cost of such reletting; third, to the payment of rent due and unpaid hereunder; and finally, the residue, if any, shall be held by Lessor and applied hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting not covered by the rentals received from such reletting of the Leased Premises.

25.6 If Lessor shall terminate this Lease Agreement or take possession of the Leased Premises by reason of a condition of default, Lessee and those holding under Lessee, shall forthwith remove their goods and effects from the Leased Premises. If Lessee or any such claimant shall fail to effect such removal forthwith, Lessor may, without liability to Lessee or those claiming under Lessee, remove such goods and effects and store same for the account of Lessee or of the owner thereof at any place selected by Lessor, or, at Lessor's election, and upon giving fifteen (15) days' written notice to Lessee of date, time and location of sale, Lessor may sell the same at public auction or private sale on such terms and conditions as to price, payment and otherwise, as Lessor in its sole discretion may deem advisable. If, in Lessor's judgment, the cost of removing and storing, or of removing and selling any such goods and effects, exceeds the value thereof or the probable sale price thereof, as the case may be, Lessor shall have the right to dispose of such goods in any manner Lessor may deem advisable.

25.7 Lessee shall be responsible for all costs of removal, storage and sale, and Lessor shall have the right to reimburse the Airport Revenue Fund from the proceeds of any sale for all such costs paid or incurred by Lessor. If any surplus sale proceeds remain after such reimbursement, Lessor may deduct from such surplus any other sum due to Lessor hereunder and shall pay over to Lessee any remaining balance of such surplus sale proceeds.

25.8 If Lessor shall enter into and repossess the Leased Premises as a result of Lessee's default in the performance of any of the terms, covenants or conditions herein contained, then Lessee hereby covenants and agrees that it will not claim the right to redeem or re-enter the said Premises to restore the operation of this Lease Agreement, and Lessee hereby waives the right to such redemption and re-entrance under any present or future law, and does hereby further, for any party claiming through or under Lessee, expressly waive its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Lessee shall have made default under any of the covenants of the Lease Agreement and to claim any subrogation of the rights of Lessee under these presents, or any of the covenants thereof, by reason of such payment.

25.9 All rights and remedies of Lessor herein created or otherwise existing at law are cumulative, and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently, whenever and as often as deemed desirable.

25.10 If proceedings shall, at any time, be commenced for recovery of possession, as aforesaid, and compromise or settlement shall be effected either before or after judgment whereby Lessee shall be permitted to retain possession of the Leased Premises, then such proceeding shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof or to this Lease Agreement.

25.11 Any amount paid or expense or liability incurred by Lessor for the account of Lessee may be deemed to be additional rental and the same may, at the option of Lessor, be added to any rent then due or thereafter falling due hereunder.

26. HOLDING OVER

It is agreed and understood that any holding over by Lessee, with Lessor's consent, after the termination of this Lease Agreement, shall not renew and extend same, but shall operate and be construed as a tenancy from month-to-month, upon all the terms and conditions set forth herein, except that rental, as reasonably determined by the Aviation Director, shall also be paid to Lessor by Lessee for all buildings on the Leased Premises, as of the end of the primary term of this Lease Agreement. Should Lessee hold over against Lessor's will, Lessee agrees to pay to Lessor, as monthly rent during such period of holding over, for such Premises (including all buildings located thereon, whether title to such buildings is in the name of Lessor or Lessee) for each month of such tenancy, triple the Ground and Building Rental paid for the last month of the Lease Agreement term, plus applicable Fuel Flowage Fees. Lessee shall be liable to Lessor for all loss or damage resulting from such holding over against Lessor's will after the termination of this Lease Agreement, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by Lessor, in the event that Lessee fails or refuses to surrender possession, shall not operate to give Lessee any right to remain in possession beyond the period for which such amount has been paid nor shall it constitute a waiver by Lessor of its right to immediate possession thereafter.

27. ASSIGNMENT AND SUBLET

27.1 Lessee shall not transfer or assign this Lease Agreement or Lessee's interest in or to the Leased Premises, or any part thereof, without having first obtained Lessor's prior written consent, which may be given only by or pursuant to an ordinance enacted by the City Council of the City of San Antonio, Texas; provided, however, that the foregoing shall not apply to and prevent the assignment of this Lease Agreement to any corporation, or other entity with which Lessee may merge or consolidate or which may succeed to a controlling interest in the business of Lessee. Notwithstanding the foregoing and for so long as any pledge or collateral assignment of Lessee's interest in the Lease Agreement shall be by instrument substantially in such form as shall have previously been approved by the City Council, the consent of Lessor to such pledge or collateral assignment may be given by Lessor acting by and through the Aviation Director.

27.2 Lessee shall not sublet the Leased Premises or any part thereof without having first obtained the Aviation Director's written consent. In the event Lessee requests permission to sublease, the request shall be submitted to the said Director, prior to the effective date of the sublease requested, and shall be accompanied by a copy of the proposed sublease agreements and of all agreements collateral thereto. The identity of the sublessee, the area or space to be subleased, the rental to be charged, the type of business to be conducted, reasonable financial history and all other information requested by said Director shall be specified. Lessee shall not sublease a total of more than fifty percent (50%) of the Leased Premises. If such limit is exceeded, Lessor shall have the right, upon thirty (30) days' written notice, to recapture the space described in the sublease, and terminate the entire Lease Agreement on the expiration of such thirty (30) day period. In the event of any recapture, Lessee's rental payments shall be adjusted on a pro-rata basis; provided, however, that all options of Lessor contained in Provision 17 shall be available to Lessor.

27.3 In the event of a sublease where the rental per square foot established in the sublease exceeds the rental for same established in the Lease Agreement, Lessee shall pay to Lessor, as additional rent, the excess of the rental received from the sublessee over that specified to be paid by Lessee herein per square foot, provided that Lessee may charge a reasonable fee for administrative costs in addition to the sublease rental, not to exceed twenty-five percent (25%) of the specified sublease rental. Such twenty-five percent (25%) shall not be considered as excess rental. Nothing herein shall prevent Lessee from charging a reasonable fee to others for the use of capital equipment and facilities on the subleased premises and charging for use of utilities and other services being paid for by Lessee. Should any method of computation of rental to be paid by a sublessee, other than computation based upon a rental rate per square foot be employed, the provisions of this paragraph will apply if the rental received for the proportionate area of the Leased Premises by Lessee exceeds the rental paid to Lessor for said proportionate area of the Leased Premises.

27.4 Each transfer, assignment or subletting to which there has been consent shall be by written instrument, in a form satisfactory to Lessor, and shall be executed by the transferee, assignee or sublessee who shall agree, in writing, for the benefit of Lessor to be bound by and to perform the terms, covenants and conditions of this Lease Agreement. Four (4) executed copies of such written instrument shall be delivered to Lessor. Failure either to obtain Lessor's prior written consent or to comply with the provisions herein contained, shall operate to prevent any such transfer, assignment or subletting from becoming effective.

27.5 Should the subletting of the Leased Premises be approved by Lessor, however, Lessee agrees and acknowledges that it shall remain fully and primarily liable under this Lease Agreement, notwithstanding any such sublease and that any such sublessee shall be required to attorn to Lessor hereunder.

27.6 The receipt by the Lessor of rent from an assignee, subtenant or occupant of the Leased Premises shall not be deemed a waiver of the covenant in this Lease Agreement against assignment and subletting or an acceptance of the assignee, subtenant or occupant as a tenant or a release of the Lessee from further observance or performance by Lessee of the covenants contained in this Lease Agreement. No provision

of this Lease Agreement shall be deemed to have been waived by the Lessor, unless such waiver is in writing, signed by the Aviation Director.

28. DAMAGE OR DESTRUCTION OF LEASED PREMISES

28.1 In the event any Improvements on the Leased Premises are destroyed or damaged to the extent that they are unusable, Lessee shall have the election of repairing or reconstructing the Improvements substantially as they were immediately prior to such casualty, or in a new or modified design, or not to construct the Improvements. Lessee shall give the Director written notice of its election within sixty (60) days after the occurrence of such casualty. If the entirety or substantially all of the Improvements are damaged or destroyed and Lessee elects not to repair or reconstruct the damaged or destroyed Improvements within the sixty (60) day election period, the Director may terminate this Lease by written notice to Lessee given within sixty (60) days following expiration of Lessee's election period, whereupon (i) this Lease shall terminate and Lessee shall abandon the Leased Premises and (ii) the insurance proceeds covering the Improvements shall be paid to the owner of the Improvements as of the date of such damage or destruction (provided, however, Lessee shall have the right to retain there from its actual costs paid in making improvements to the damaged or destroyed Improvement). If such damage or destruction is to less than substantially all of the Improvements and Lessee elects not to repair or reconstruct the damaged or destroyed Improvements within the said 60-day period following such damage or destruction, then (i) this Lease shall be deemed modified (and the rentals hereunder adjusted) so as to terminate the Lease as to such Improvements, and (ii) the insurance proceeds covering the Improvements shall be paid to the owner of the Improvements as of the date of such damage or destruction (provided, however, Lessee shall have the right to retain there from its actual costs paid in making improvements to the damaged or destroyed Improvement). In the event of damage or destruction to any of the Improvements upon the Leased Premises, the City shall have no obligation to repair or rebuild the Improvements or any fixtures, equipment or other personal property installed by Lessee on the Leased Premises.

28.2 If Lessee elects to repair or reconstruct the Improvements, Lessee shall use its insurance proceeds from the policy covering the destroyed Improvements. If the insurance proceeds are not sufficient, Lessee agrees to pay the deficiency. If Lessee elects to repair or reconstruct, Lessee shall, at its expense, replace and repair any and all fixtures, equipment and other personal property necessary to properly and adequately continue its authorized activities on the Leased Premises. In no event shall Lessee be obligated to provide equipment and fixtures in excess of those existing prior to the damage or destruction. Lessee agrees that such work will be commenced and completed with due diligence.

28.3 Prior to any repair or reconstruction described above, Lessee shall submit plans and specifications to the Director for his written approval. Such repair or reconstruction shall be in accordance therewith. Any changes must be approved in writing by the Director.

28.4 With respect to this Article 28 all approvals and rulings by the Director shall be

29. LAWS AND ORDINANCES

Lessee agrees to comply promptly with all laws, ordinances, orders and regulations affecting the Leased Premises, including, but not limited to, those related to its cleanliness, safety, operation, use and business operations. Lessee shall comply with all Federal and State regulations concerning its operation on the Airport and shall indemnify and hold harmless Lessor, its officers and employees, from any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or the State of Texas, by reason of Lessee's failure to comply with the terms of this Provision or with any other terms set forth in this Lease Agreement.

30. TAXES AND LICENSES

Lessee shall pay, on or before their respective due dates, to the appropriate collecting authority, all Federal, State and local taxes and fees, which are now or may hereafter be levied upon the Lessee, Leased Premises, the business conducted thereon or upon any of Lessee's property used in connection therewith. Lessee shall also maintain, in current status, all Federal, State and local licenses and permits required for the operation of its business.

31. NONDISCRIMINATION & AFFIRMATIVE ACTION REGULATIONS

31.1 Lessee understands and agrees to comply with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein. As part of said compliance, Lessee shall adhere to Lessor's Non-Discrimination Policy in the solicitation, selection, hiring or commercial treatment of vendors, suppliers or commercial customers; further, Lessee shall not retaliate against any person for reporting instances of such discrimination.

31.2 Lessee for itself, its heirs, representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on the Leased Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 Code of Federal Regulations ("CFR") Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

31.3 Lessee for itself, its representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, creed, sex, age, religion, national origin or handicap shall be excluded from participation, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

31.4 Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Lessee assures that it will require that its covered sub-organizations provide assurances to Lessee that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

31.5 Lessee agrees to bind contractually all its sub-organizations and sublessees to all the foregoing terms and conditions.

31.6 With respect to its operations at the Airport, Lessee shall conform to Lessor's Small and/or Minority Business Enterprises Program. Lessee shall comply with the Good Faith Efforts requirements thereof, furnishing to Lessor such documentation as it shall require to verify same. Lessee's failure to furnish such documentation within thirty (30) days following its receipt of Lessor's written demand therefor, and/or its willful or unjustified failure, as determined by Lessor, to make such Good Faith Efforts shall, at Lessor's option, cause this Lease Agreement to terminate as of the date specified in a written termination notice to Lessee provided by the Aviation Director.

31.7 Lessee shall comply with Lessor's Nondiscrimination Clause, including the development and use of an Affirmative Action plan for equal employment opportunity. If requested by Lessor, this plan shall be submitted annually and monitored through an annual status report, reflecting the prior year's activity. Quarterly affirmative action status reports shall also be provided, upon Lessor's request. Any and all provisions of this Lease Agreement pertaining to Lessee shall apply as well to any Minority Business utilized by Lessee in its operations hereunder.

32. WAGES

Lessee shall pay at least the minimum wage, as required by Federal and State statutes and City ordinances, to employees of its operations hereunder.

33. FORCE MAJEURE

If either party shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, war, terrorism, inability to procure materials, restrictive governmental laws or regulations or other cause, without fault and beyond the control of the party obligated (the financial inability of the party excepted), performance of such act shall be extended by a period equal to the period of such delay; provided, however, that nothing in this paragraph shall excuse Lessee from the prompt payment of any rental except as may be expressly provided otherwise in this Lease; and further provided that the party relying on this paragraph shall provide written notice to the other party notifying such other party of the force majeure event promptly after such force majeure event, and shall proceed with all diligence to complete the performance of the act upon the cessation of the force majeure event.

34. ATTORNEYS' FEES

Lessor and Lessee agree to resort to statutory and common law remedies on the issue of attorney's fees.

35. SEVERABILITY

If any clause or Provision of this Lease Agreement is illegal, invalid or unenforceable under present or future laws, it is the parties' intention that the remainder hereof not be affected. In lieu of each clause or provision that is illegal, invalid or unenforceable, the parties intend that there be added, as a part of this Lease Agreement, a clause or Provision, as similar in terms to such illegal, invalid or unenforceable clause or Provision, as may be possible, yet be legal, valid and enforceable.

36. AMENDMENT

This Lease Agreement, together with its authorizing ordinance, constitutes the entire agreement between the parties. No amendment, modification or alteration of the terms of this Lease Agreement shall be binding, unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

37. NOTICES

Unless otherwise expressly provided elsewhere in this Lease Agreement, any election, notice or communication required or permitted to be given under this Lease Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or on receipt after mailing the same by certified mail, return receipt request with proper postage prepaid, or three (3) days after mailing the same by first class U.S. mail, postage prepaid (in accordance with the "Mailbox Rule"), or when sent by a national commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier to the other party at the address listed below:

	9800 Airport Boulevard LESSEE:
LESSOR:	_____
	_____
City of San Antonio	_____
Aviation Department	_____
Attn.: Properties Division	
San Antonio, Texas 78216	_____

38. RELATIONSHIP OF PARTIES

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship, between the parties hereto. It is understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, creates a relationship other than one of Lessor and Lessee.

39. CUMULATIVE REMEDIES

The specific remedies of the parties under this Lease Agreement are cumulative and do not exclude any other remedies to which they may be lawfully entitled, in the event of a breach or threatened breach hereof. The failure of either party ever to insist upon the strict performance of any covenant of this Lease Agreement, or to exercise any option herein contained, shall not be construed as its future waiver or relinquishment thereof. Lessor's receipt of a rent payment, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach. Further, no waiver, change, modification or discharge by either party of any provision of this Lease Agreement shall be deemed to have been made or be effective, unless in writing and signed by the party to be charged. In addition to other remedies herein, the parties shall be entitled to an injunction restraining the violation, or attempted violation, of any of the covenants, conditions or Provisions hereof, or to a decree compelling performance of same; subject, however, to other Provisions herein.

40. ENTIRE AGREEMENT

This Lease Agreement comprises the final and entire agreement, including all terms and conditions thereof, between the parties hereto, and supersedes all other agreements, oral or otherwise, regarding the subject matter hereof, none of which shall hereafter be deemed to exist or to bind the parties hereto. The parties intend that neither shall be bound by any term, condition or representation not herein written.

41. CONFLICT OF INTEREST

41.1 Lessee acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-43 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a prohibited economic interest in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

41.2 Pursuant to the subsection above, Lessee warrants and certifies, and this contract is made in reliance thereon, that neither Lessee, the members of Lessee's Board of Directors, nor its executive officers, are officers or employees of the City. Lessee further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

42. PARTIES BOUND

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted hereby.

43. TEXAS LAW TO APPLY

All obligations under this Lease Agreement are performable in Bexar County, Texas, and shall be construed pursuant to the laws of the State of Texas, except where state law shall be preempted by any rules, laws or regulations of the United States.

44. APPROVALS BY LESSOR

Whenever this Lease Agreement calls for approval by Lessor, such approval shall be evidenced, in writing, by either the Aviation Director or the City Manager of the City of San Antonio or his designee.

45. CAPTIONS

The captions of the provisions contained herein are for convenience in reference and are not intended to define, extend or limit the scope of any provision of this Lease Agreement.

EXECUTED THIS THE _____ day of _____, 20___.

LESSEE: _____

By:_____
Signature

LESSOR: CITY OF SAN ANTONIO

By:_____
Sheryl L. Sculley, City Manager

_____
Printed Name/ Title

_____
Mailing Address

_____
City, State, Zip

_____
Federal Tax ID NO.

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

EXHIBIT 1

LEASE PREMISES

EXHIBIT 2

MONTHLY LANDED WEIGHT REPORT